

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** July 14, 2009  
**POSITION:** Oppose  
**SPONSOR:** Health Officers Association of California

**BILL NUMBER:** SB 769  
**AUTHOR:** E. Alquist

### **BILL SUMMARY:** Federal Funds: Supplemental Appropriations: Pandemic Flu

This bill would, beginning with the 2009-10 fiscal year, require: (1) any funds provided to the state for pandemic flu and authorized by the federal Supplemental Appropriations Act of 2009 be subject to appropriation by the Legislature in the annual Budget Act or other statute for allocation by the Department of Public Health (DPH) and expended for disease control and prevention activities by local health jurisdictions (LHJs), (2) the DPH to allocate funds appropriated pursuant to this bill to LHJs in the same proportion stipulated in the 2008-09 federally approved collaborative state-local plan, and (3) to the extent permitted by federal law, expanding the capacity of the California Health Alert Network (CAHAN), or another appropriate communication network, using funds from the Supplemental Appropriations Act of 2009, in a manner that would allow the DPH to timely communicate with every general acute care hospital and primary clinic in the state during a public health emergency.

### **FISCAL SUMMARY**

The costs to expand CAHAN would be supported by federal funds received pursuant to the Supplemental Appropriations Act of 2009. The DPH estimates implementation of this bill would have a first-year cost of \$595,000, including one-time costs of \$175,000 for communications expansion and system upgrades, and ongoing annual costs of \$420,000. To the extent DPH identifies a need for state positions in 2010-11 and beyond, this request would be subject to review and approval through the regular budget development process.

As required by this bill, funds received through this appropriation would be allocated to LHJs pursuant to the 2008-09 federally approved collaborative state-local plan. The actual allocations for local assistance and state operations are unknown at this time.

### **COMMENTS**

The Department of Finance is opposed to this bill because it is unnecessary:

- Existing statute already requires federal bioterrorism preparedness and emergency response federal funds to be appropriated in the annual Budget Act or another statute.
- Current law requires DPH to allocate emergency response funds to LHJs in accordance with the federally approved collaborative state-local plan.
- The expansion of CAHAN can be accomplished administratively. The DPH indicates CAHAN expansion is among the funding priorities for federal pandemic flu funds, to the extent funds are made available for this purpose.

We note the DPH cannot spend any additional federal funds received in 2009-10 prior to legislative notification and approval, as required by Control Section 28.00 of the 2009 Budget Act.

Analyst/Principal (0551) J. Kapoor	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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## AUTHOR

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We also note this bill does not identify skilled nursing facilities as part of the CAHAN expansion. Patients residing in these facilities would be extremely vulnerable in an emergency situation.

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
4265/PublicHealth		SO	No	-----	See Fiscal Summary				-----	0890
4265/PublicHealth		LA	No	-----	See Fiscal Summary				-----	0890
<u>Fund Code</u>	<u>Title</u>									
0890	Trust Fund, Federal									